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February 20, 2019

Joint Legislative Committee on Local Government  
North Carolina General Assembly  
Legislative Building  
16 W. Jones Street  
Raleigh, NC 27601

Fiscal Research Division  
North Carolina General Assembly  
Legislative Office Building  
300 North Salisbury Street, Suite 619  
Raleigh, NC 27603-5925

RE: Yadkin Valley Sewer Authority  
Clean Water State Revolving Fund (CWSRF)  
Proposed \$1,031,000 Loan  
2018 Pump Stations Rehabilitation Project  
Project No. CS370541-05

To Whom It May Concern:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina as amended, the Yadkin Valley Sewer Authority (YVSA) hereby notifies you of its intent to enter into a Clean Water State Revolving Fund Loan with the Division of Water Infrastructure of the North Carolina Department of Environmental Quality subject to the approval of the Local Government Commission, in the expected amount of \$1,031,000.

**Purpose of Project:** The project will address six identified pump station (PS) deficiencies due to age and deterioration, and poor foundation soils.

**Scope of Project:** The project will consist of the following:

1. Fox Hall PS – Rehabilitation
2. PVH PS – Rehabilitation
3. Hampton Inn PS – Rehabilitation
4. Shore St PS – Elimination
5. Osborne St PS Force Main
6. Regional PS - Repair/Support Settling Equipment

Debt Requirement of the Project: The projected construction cost of the 2018 Pump Stations Rehabilitation Project is \$1,031,000. Fifty percent (50%) of the loan up to \$500,000 would be funded through the CWSRF with principal forgiveness and the remaining \$531,000 funded through a CWSRF loan at zero percent interest for 20 years.

Means of Financing the Project: As stated above, the project will be financed by a CWSRF loan of up to \$1,031,000, as subject to availability and conditions of these funding programs.

Sources of Repayment for the Project: The loan principal will be repaid using funds collected by the Sewer Authority from its current customer base, through normal fees. Increases in these normal fees may be necessary in the near future but we anticipate such fees to remain below 4% of the Median Household Income for our service area (for those customers using 5,000 gallons per month or less). There will be no interest payments, according to the terms of the loan.

If more specific information is needed, please do not hesitate to contact me at the address above or to contact our consulting engineer, Benjie Thomas of West Consultants, at:

West Consultants, PLLC  
405 South Sterling Street  
Morganton, NC 28655  
Phone: (828) 522-4728  
Email: bthomas@west-consultants.com

Sincerely,



Nicole Johnston, Executive Director

cc: Greg Gaskins  
Local Government Commission  
NC Department of State Treasurer  
325 N. Salisbury Street  
Raleigh, NC 27603-1385

Kim Colson, PE, Director  
NC Division of Water Infrastructure  
1633 Mail Service Center  
Raleigh, NC 27699-1633